

Responsibilities and Guidelines for the Board of Directors in All Federal Tax-Exempt Non-Profit Institutions Applying to or Participating in the Child and Adult Care Food Program (CACFP)

PURPOSE: To outline the responsibilities and guidelines for the Board of Directors for all Federal tax-exempt non-profit institutions applying to or participating in the Child and Adult Care Food Program (CACFP).

SCOPE: This policy applies to all Federal tax-exempt non-profit institutions applying to or participating in the CACFP.

DESCRIPTION: "Institution" means sponsoring organizations, childcare center, outside-school-hours care center or adult day care center having an contract with the Indiana Department of Education (IDOE) to participate in the CACFP. It also includes emergency and homeless shelters and "at-risk" after school care programs.

"Non-profit institution" means any corporation, trust, association, cooperative, or other organization that is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest; and is not organized primarily for-profit; and uses it net proceeds to maintain, improve, or expand the operations of the organization.

Federal regulations state that all Federal tax-exempt non-profit institutions applying to or participating in the CACFP must have internal controls and other management systems in effect to ensure fiscal accountability in accordance with the requirements of §7 C.F.R. 226. One of the many ways an institution must demonstrate Program accountability is by ensuring that it has adequate oversight of the Program as defined by Federal and State statutes and requirements by its governing Board of Directors.

The Internal Revenue Service (IRS) requires that a Federal tax-exempt non-profit institution be governed by a Board of Directors that is "primarily" composed of members of the community it serves who are not financially interested in the institutions activities and/or who are not "related parties." "Primarily" means having a board that consists of over 50% of members of the community rather than of "insiders" or individuals who are related to its personnel or to each other. "Related parties" are considered to be the Founder, Owner, Directors, their families, and/or employees, and individuals who do business with the institution.

The governing Board of Directors is responsible for:

1. Determining the institution's mission and purpose
2. Providing operational oversight
3. Ensuring compliance with regulatory requirements
4. Selection and evaluation of the Executive Director

5. Policy setting for the institution
6. Providing fiscal guidance
7. Ongoing governance
8. Regularly reviewing the organization's policies, programs, and budgets
9. Staying informed or trained on the most current Program requirements and regulations
10. Approving decisions about compensation of employees and other parties providing services

The institution must document in its management plan how often the governing Board of Directors will meet and participating institutions must maintain records of board minutes as documentation of decisions made during board meetings. These records must be maintained with all of the other required Program records and must be available for review by USDA, IDOE, and/or any of its agents at all times. The institutions policies, operations, programs, and budgets must be reviewed regularly at board meetings. All decisions to make changes in the institution's policies, operations, programs, and/or budgets must be documented in the governing board's meeting minutes.

Source: Indiana Department of Education, Division of School and Community Nutrition Programs, Child and Adult Care Food Program.